Rationalisation of distribution of subsidies

6876. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that subsidies provided by Government are meant for the poor but rarely reach them;

(b) whether it is also a fact that a large number of not so poor take the benefit of these subsidies excluding the real beneficiaries that it the real poor;

(c) whether Government propose to rationalise the distribution of these subsidies; and

(d) if so, the schemes framed for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKARA MURTHY): (a) to (d) The poor drawing ration from the Public Distribution System (PDS) and small and marginal farmers using fertilizers are benefitted from food and fertilizer subsidies, respectively because of lower prices. The prices of commodities distributed by PDS and fertilizer would have been higher in absence of fertilizer and food subsidies. In fact fertilizer subsidy has met its objective in raising agricultural production, achieving thereby the self-sufficiency in foodgrains in the country.

However, to serve effectively backward and remote blocks in tribal and dry land areas, the Government had introduced from June 1992 a special scheme to revamp the PDS (RPDS) where additional items like tea, soap, pulses and iodised salt began to be supplied by State Governments in 1775 blocks. Additional quantities of foodgrains (rice and wheat) for RPDS, over and above the normal allocations to states, are assured for distribution in these 'revamped' FPSs at a price which is lower than the central issue price (CIP) by Rs 50 per quintal as compared to normal PDS elsewhere. The State Governments are also advised to ensure that the retail prices at the 'revamped' fair price shops are not higher than CIP by more than 25 paise/Kg. Besides the existing 1775 RPDS blocks, Government have identified additional 409 blocks for inclusion under the RPDS Scheme.

The poor have directly benefitted from the anti-poverty programmes. Under the Integrated Rural Development Programme (IRDP) most of the assistance was given to poor during 1992-93. Barring a few cases of misutilization, there is no evidence to indicate that subsidy under IRDP does not reach the target group of beneficiaries below poverty line. However, to plug leakages the Government is considering to switch over from front end to back end system of subsidy as recommended by an Expert Committee on IRDP set up by RBI.

Inter-branch banks reconciliation accounts

6877. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether there is inordinate delay in clearing the arrears in inter-branch reconciliation accounts;

(b) if so, the details thereof;

(c) the number of outstanding entries in this regard and how much money is involved therein; and

(d) how much time will it take to reconcile the entries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKARA MURTHY): (a) to (d) Reserve Bank of India (RBI), has reported that while on 30-9-94 there were 65.55 lakh entries for the period ending 31-3-1993 involving an amount of Rs. 369199.48 crores outstandding in inter branch reconciliation accounts of public sector banks, the corresponding figures had come down to 41.64 lakh entries involving an amount of Rs. 92.904.95

crores as on 31-12-1994. RBI has further reported that banks have inter-alia, taken the following steps for speedy inter-branch reconciliaiton of accounts:—

1. Time frames have been evolved for clearing old entries;

2. High value entries are segregated and given priority for adjustment/ follow-up;

3. Entries pertaining to demand drafts are being segregated;

4. Special cells|task force have been constituted by some banks for clearing the arrears.

Claims under Agricultural and Rural Debt Relief Scheme received by NABARD

6878. SHRI GOPALSINH G. SOLANKI: Will the Minister of FINANCE be pleased to state:

(a) whether the National Bank for Agricultural and Rural Development (NABARD) has received final claims under Agriculture and Rural Debt Relief Scheme, 1990 from State Cooperative Banks, State Land Development Banks in the country during the current financial year;

(b) if so, the amount thereof, State-wise; and

(c) the amount released or proposed to be released to each State under the above Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKARA MURTHY): (a) to (c) National Bank for Agriculture and Rural Development (NABARD) has reported that the final claims under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 have since been received from all the State Cooperative Banks (SCBs) and State Land Development Banks (SLDBs) in the country. The position of reimbursement made vis-a-vis their claims is given below:

	(Rs. crores)	
	SCBs	SLDBs
Total cliams	3343.349	826.069
Reimbursable claim after standard deduction	3180.257	787.420
Claims Settled		
Grant	1591 624	399.009
Loan	1566.535	390.808
TOTAL :	3158.159	799.70

The state-wise details of amount released to cooperatives under the Scheme by way of grant and loan is given in the enclosed statement. The NABARD has further reported that full & final settlement of claims has been made in the case of almost all banks as per policy guidelines.